

## Message Text

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PAGE 01 KINGST 03655 171934Z

73

ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 L-03 H-02 CEA-01 STR-04

PA-02 PRS-01 /079 W

----- 008812

R 171730Z SEP 75

FM AMEMBASSY KINGSTON

TO SECSTATE WASHDC 8878

UNCLAS KINGSTON 3655

EO 11652: N/A

TAGS: EINV , JM

SUBJECT: GOJ OBTAINS CONTROL OF JAMAICA TELEPHONE CO IN  
\$31,075,000 TRANSACTION

REF: A) STATE 218937 B) KINGSTON 2927 C) KINGSTON 1745

1. RE PARA 2 REF (A), THE JAMAICAN MINISTRY OF FINANCE ANNOUNCED ON SEPTEMBER 15 THAT THE GOJ HAD ACQUIRED THE 68 PERCENT MAJORITY INTEREST HELD BY THE CONTINENTAL TELEPHONE CORP. OF THE U.S. IN THE JAMAICA TELEPHONE COMPANY. THE PURCHASE PRICE OF THE TRANSACTION WAS J\$31,075,000 WHICH REPRESENTED THE BOOK VALUE OF THE SHARES OF JTC OWNED BY CONTINENTAL. WITH AGREEMENT REACHED WITH CONTINENTAL, THE GOJ NOW OWNS 78 PERCENT OF THE JTC. THE GOJ'S ATTITUDE ON THE REMAINING 22 PERCENT IN JTC (10 PERCENT LOCAL, 12 PERCENT FOREIGN) STILL HAS TO BE ASCERTAINED.

2. UNDER TERMS OF THE AGREEMENT, PAYMENT FOR THE SHARES WILL BE MADE IN THE FORM OF A 15 YEAR PROMISSORY NOTE OF THE GOJ WITH PRINCIPAL PAYABLE IN SEMI-ANNUAL INSTALLMENTS BEGINNING 30 MONTHS AFTER THE DATE OF THE NOTE. THE AGREEMENT ALSO PROVIDES THAT A \$15,816,000 DEMAND NOTE OF THE JTC TO CONTINENTAL WILL BE REFUNDED INTO AN 11 YEAR  
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PAGE 02 KINGST 03655 171934Z

PROMISSORY NOTE PAYABLE IN SEMI-ANNUAL INSTALLMENTS BEGINNING

18 MONTHS AFTER THE DATE OF THE NOTE. THE GOJ IS TO  
GUARANTEE PAYMENT OF PRINCIPAL AND INTEREST.

3.JTC SERVES 98,000 TELEPHONES IN JAMAICA AND REPORTED  
REVENUE OF \$20,687,000 AND EARNINGS OF \$3,773,000 FOR  
THE YEAR ENDING DECEMBER 31, 1974. IT IS FURTHER  
REPORTED TO BE \$65 MILLION IN DEBT

4. THROUGH THE API, (AGENCY FOR PUBLIC INFORMATION) THE GOJ  
STATED THAT ITS ACQUISITION OF MAJORITY INTEREST IN THE JTC  
WAS IN LINE WITH ITS POLICY OF OWNING  
UTILITIES ESSENTIAL TO NATIONAL DEVELOPMENT.  
NOTE: WITH JTC TAKEOVER, GOJ NOW OWNS ALL FORMERLY FOREIGN-  
OWNED PUBLIC UTILITIES. JOS AND JPS ARE ALREADY  
UNDER GOJ CONTROL. GERARD

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TELEPHONES, BUSINESS FIRMS, FOREIGN INVESTMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 SEP 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
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**Subject:** GOJ OBTAINS CONTROL OF JAMAICA TELEPHONE CO IN \$31,075,000 TRANSACTION  
**TAGS:** EINV, ETEL, JM, JAMAICA TELEPHONE CO  
**To:** STATE  
**Type:** TE  
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